

# Mexico's 2012 Elections

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## Summary

U.S. policy makers have closely followed the 2012 elections in Mexico, a key ally with whom the United States shares a nearly 2,000-mile border and some \$460 billion in annual bilateral trade. On July 1, 2012, Mexico held federal (presidential and legislative) elections. Turnout reached record levels as 63% of eligible voters cast their ballots. Mexico's Federal Electoral Institute (IFE) conducted the elections with the oversight of the Federal Electoral Tribunal (TEPFJ). Some election observers asserted that vote-buying and other irregularities marred the electoral process, while observers from the Organization of American States generally praised IFE's handling of the elections. After considering legal challenges to the results, the TEPFJ found insufficient evidence of vote-buying to warrant an annulment of the vote. The Tribunal declared Institutional Revolutionary Party (PRI) candidate Enrique Peña Nieto, a former governor of the state of Mexico, president-elect on August 31, 2012. Peña Nieto will take office on December 1, 2012.

The centrist PRI that governed Mexico from 1929 to 2000 not only retook the presidency after 12 years of rule by the conservative National Action Party (PAN), but also won a plurality in the Senate and Chamber of Deputies. In the presidential contest, Enrique Peña Nieto captured 38.2% of the vote, followed by Andrés Manuel López Obrador of the Party of the Democratic Revolution (PRD) with 31.6%, Josefina Vázquez Mota of the PAN with 25.4%, and Gabriel Quadri of the National Alliance Party (PANAL) with 2.3%. The narrow margin of Peña Nieto's victory, coupled with the fact that López Obrador has refused to recognize the election results, could complicate the transition period. And, while PAN President Felipe Calderón has pledged to work with the incoming administration, his party has joined the PRD in calling on authorities to investigate whether the PRI used any illicit finances to fund Peña Nieto's campaign.

Polls predicted that the PRI might also capture a simple majority in one or both chambers of the Mexican Congress, a feat not accomplished since 1994. The PRI and the allied Green Ecological Party (PVEM) party failed to capture a majority in either house, but could achieve a simple majority in the Chamber by aligning with the PANAL. For legislation to pass the Senate, and for any measures to amend the constitution (which require a two-thirds majority), the PRI will have to form cross-party coalitions. The PRI will most likely find support from the PAN, which lost seats in the Chamber but retained a powerful bargaining position. The PRD-led coalition, which will now have more seats in the Chamber than the PAN and remains the third-largest force in the Senate, could complicate some reform efforts, including those aimed at increasing private participation in the energy sector, a key priority for Peña Nieto.

Some Members of Congress may be concerned that the leadership changes resulting from the July 1, 2012, Mexican elections will significantly impact U.S.-Mexican relations, particularly now that the party controlling the presidency has changed. However, few analysts are predicting that the transition from PAN to PRI rule will result in seismic shifts in bilateral relations. Enrique Peña Nieto has sought to reassure U.S. policy makers that his Administration will continue to combat organized crime, while also striving to reduce violence in Mexico. He also aims to increase bilateral and trilateral (with Canada) economic and energy cooperation.

This report provides an overview of the parties and candidates who competed in the Mexican federal elections with a focus on the presidential contest, recaps the election results, and discusses some potential implications of the elections for U.S.-Mexican security cooperation, North American economic integration, and U.S. energy security.

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## Introduction

On July 1, 2012, a record number of Mexican voters headed to the polls to elect a president who will serve a six-year term beginning on December 1, 2012. All 128 seats in the Mexican Senate and 500 seats in the lower house of congress, known as the Chamber of Deputies, were also up for election.<sup>1</sup> Senators will serve six-year terms and deputies will serve three-year terms that began on September 1, 2012. Elections for local and state offices took place in 14 states (including Mexico City's Federal District), six of which held gubernatorial elections. Voters in the Federal District selected a head of government (mayor). Mexico does not permit consecutive reelection for any political office. Thus, the results of these elections could lead to shifts in Mexico's domestic and foreign policy priorities and have implications for U.S.-Mexican relations.

Twelve years after losing the presidency for the first time in 71 years, the Institutional Revolutionary Party (PRI) won the presidential election (see **Figure 1**), a plurality of seats in the Senate (see **Figure 2**) and Chamber of Deputies (see **Figure 3**), and gubernatorial elections in Chiapas, Jalisco, and Yucatán (see **Figure 4**). Despite these victories, PRI/Green Ecological Party (PVEM) candidate Enrique Peña Nieto won by a relatively narrow margin over Andrés Manuel López Obrador of the leftist coalition led by the Party of the Democratic Revolution (PRD), and the PRI/PVEM failed to capture a simple majority in either chamber of the congress. In addition to López Obrador's second-place finish in the presidential contest, the PRD and its allies picked up enough seats to become the second-largest force in the Chamber of Deputies, won the governorships of Morelos and Tabasco, and retained control of the mayoralty of the Federal District.<sup>2</sup> The conservative National Action Party (PAN) lost the presidency, two gubernatorial contests, and seats in the Chamber of Deputies, but picked up senate seats and retained the governorship of Guanajuato. For an analysis of the election results, see "Election Results" below.

This report provides background information on the parties and presidential candidates that competed in Mexico's 2012 elections, analyzes the election results, and discusses some potential implications of those results for U.S.-Mexican relations in the areas of security cooperation, economic integration, and energy policy.

## Background

The July 1, 2012, elections occurred at a time when Mexico faced significant economic and security challenges and presidential power was increasingly constrained by a more active congress and Supreme Court, powerful governors, and a vocal civil society.<sup>3</sup> Analysts maintain that Mexico has experienced modest economic growth punctuated by a severe economic crisis (in

<sup>1</sup> For the Senate, 96 members are elected by a plurality vote from state-level party lists with the top vote-getting list obtaining two seats and the second placed list earning one seat per state, while 32 members are chosen through proportional representation from nationwide party lists. Senators serve for six-year terms and may be reelected, though not consecutively. For the Chamber of Deputies, 300 members are elected by a plurality vote in single-member districts, while 200 members are chosen through proportional representation from closed party lists in five 40-member districts. Deputies are elected for three-year terms and may be reelected, though not consecutively. Parties must receive at least two percent of the vote to capture a seat through proportional representation.

<sup>2</sup> PRD candidate Miguel Ángel Macera won 64% of the vote in the contest for the head of government (mayoralty) of the Federal District encompassing Mexico City. His closest competitor, Beatriz Paredes of the PRI, obtained less than 20% of the vote.

<sup>3</sup> Shannon K. O'Neil, "The Old Guard in a New Mexico: How a Stronger Democracy Will Check the PRI," *ForeignAffairs.com*, June 6, 2012.

2009) and a growing security crisis under two successive PAN administrations. Often, these crises have overshadowed the policy achievements of those governments.<sup>4</sup> As a result, economic and security issues figured as top concerns among the Mexican electorate. The major presidential candidates all stressed the importance of boosting job creation and improving public security in Mexico, with many arguing that an effective way to reduce the influence of criminal groups is by creating jobs. However, voters appeared to believe that the PRI may be best equipped to restore order and restart economic growth, despite uncertainty about how the party's return to power might impact Mexican democracy given its reputation for corruption and undemocratic practices.<sup>5</sup>

Since even before the campaign officially began on March 30, 2012, Enrique Peña Nieto of the PRI/PVEM had maintained a double-digit lead in most polls<sup>6</sup> over Josefina Vázquez Mota of the PAN, López Obrador of the coalition led by the PRD, and Gabriel Quadri of the National Alliance Party (PANAL). Polling for the legislative elections followed the same trajectory as the presidential race, with a plurality of voters favoring PRI candidates followed by the PRD-led coalition, the PAN, and then the PANAL.<sup>7</sup> While the polls correctly captured López Obrador overtaking Vázquez Mota as the second-most popular candidate by late May 2012, they generally underestimated the level of popular support for his candidacy. López Obrador benefitted from the *YoSoy132* (I am 132) student protest movement that began in Mexico City in mid-May and organized itself through social media. Although the movement largely intended to have some of the youth voters' concerns—such as perceived media bias—heard by all of the candidates, many of its supporters also expressed antipathy for the PRI.<sup>8</sup>

## Mexico's Political Parties

Mexico has three major political parties—the PRI, the PAN, and the PRD—two of which formed coalitions with smaller parties for the 2012 federal elections.<sup>9</sup> Another small party formed in 2005 and loosely aligned with Mexico's powerful teacher's union, the PANAL, decided to field its own presidential candidate after the PRI broke its alliance with the party earlier this year. Three states—Sinaloa, Puebla, and Oaxaca—are currently governed by coalitions composed of the PAN, PRD, and other small left-leaning parties. These “stop the PRI” coalitions were successful in the 2010 state-level contests. However, they did not field candidates in the 2011 gubernatorial elections or in the 2012 elections.

<sup>4</sup> See, for example, Pamela K. Starr, “Mexico's Big, Inherited Challenges,” *Current History*, February 2012.

<sup>5</sup> Dave Graham, “Mexico's Old Rulers Bounce Back as New Start Beckons,” *Reuters*, June 19, 2012.

<sup>6</sup> One poll published by *Grupo Reforma* on May 31, 2012, showed López Obrador within four points of Peña Nieto, but that poll remained an outlier. A *Reforma* poll published on June 19, 2012, showed Peña Nieto 12 points ahead of López Obrador (after undecided voters and those who will annul their votes were factored out).

<sup>7</sup> According to *Reforma*, 44% of Mexican voters effectively favor the PRI-PVEM for the Senate, 26% support the PRD coalition, 25% favor the PAN, and 5% support PANAL. For the Chamber of Deputies, 43% of voters favor the PRI-PVEM, 27% support the PRD coalition, 25% the PAN, and 5% the PANAL.

<sup>8</sup> The protest movement formed after some of Peña Nieto's supporters alleged that it was paid outsiders, not students, who demonstrated against their candidate and forced his early exit from a May 11 event at the private Ibero-American University. The students rejected that assertion and protested the major TV networks' apparent backing of the PRI's claims. Using YouTube and other social media outlets, the students began bringing together youth from public and private universities and likeminded outsiders for protests against the perceived media bias in Mexico. Damien Cave, “In Protests and Online, a Youth Movement Seeks to Sway Mexico's Election,” *New York Times*, June 11, 2012.

<sup>9</sup> These characterizations are largely drawn from: Emily Edmonds-Poli and David A. Shirk, *Contemporary Mexican Politics* (Lanham, MD: Rowman & Littlefield Publishers, 2009), pp. 151-167.

The **Institutional Revolutionary Party (PRI)** unified the country after the Mexican Revolution (1910-1920) by organizing the major groups in Mexican society (organized labor, peasants, professionals) into a corporatist party that governed Mexico from 1929 until 2000. The PRI became a centrist party that relied on a hierarchical party structure, strong patronage system, and periodic electoral fraud to maintain its dominance. Through the 1960s, the PRI presided over a period of strong, state-led economic growth. The PRI's popularity declined, however, after its violent repression of student protesters led to the 1968 Tlatelolco massacre, and its financial mismanagement in the 1970s contributed to an economic crisis in the early 1980s. Dissident PRI members split with the party in the mid-1980s, eventually creating a progressive party known as Party of the Democratic Revolution (PRD) after the PRI embraced neo-liberal (market-friendly) economic policies and proved unwilling to adopt more democratic internal procedures for choosing candidates. PRI presidential candidates were often hand-selected by incumbents through a process known as the "tap of the finger" (*el dedazo*) rather than through party primaries or nominating conventions. The PRI was accused of electoral fraud in the 1988 presidential election and has been criticized for corruption and for previously allowing organized crime to operate relatively freely within certain parameters set by the state.<sup>10</sup> The PRI recently expelled Tomas Yarrington, a former governor of Tamaulipas, from the party after U.S. prosecutors alleged in a civil suit that he bought property in Texas to launder funds for Mexican drug traffickers.<sup>11</sup>

PRI power has waxed and waned over the course of the past 15 years. The PRI lost control of the Chamber of Deputies in 1997 and handed over the Mexican presidency to the PAN in 2000. Even as its power diminished in 2000, the PRI remained the largest party in the Mexican Congress and retained control over several key governorships. Prior to the 2012 elections, the PRI controlled 19 of 32 governorships, 25% of the seats in the Senate, and 48% of the seats in the Chamber of Deputies. With the allied PVEM, a small party focused exclusively on environmental protection, the PRI held a majority in the Chamber. The PRI is particularly dominant in the north/northeast and in the Yucatán. It competes with the PRD in southern Mexico.

The **National Action Party (PAN)** is a socially conservative, pro-business party that was formed in 1939 by Catholic activists,<sup>12</sup> professionals, and entrepreneurs who disagreed with the PRI's intervention in the economy and its hierarchical and secularist tendencies. From the 1940s through the mid-1980s, the PAN served as the official opposition to the PRI, but failed to capture any governorships or large numbers of congressional seats. By the late 1980s, however, the PAN had begun to build on the support it had developed in local and state elections to capture governorships in business-friendly northern states and in conservative central western states. Vicente Fox's come-from-behind presidential victory in 2000 marked the party's crowning achievement, but some have become disillusioned that corruption, impunity, and poverty are still pervasive in Mexico after 12 years of PAN rule.<sup>13</sup> Escalating organized crime-related violence, some of which has occurred in response to the Calderón Administration's tough anticrime policies, has also weakened support for the PAN.<sup>14</sup> Before the 2012 elections, the PAN governed

<sup>10</sup> See, for example, Luis Astorga and David A. Shirk, "Drug Trafficking Organizations and Counter-Drug Strategies in the U.S.-Mexican Context," in *Shared Responsibility: U.S.-Mexico Policy Options for Confronting Organized Crime*, ed. Eric L. Olson, David A. Shirk, and Andrew Selee (Washington: Woodrow Wilson International Center for Scholars and the University of San Diego Trans-Border Institute, 2010), p. 34.

<sup>11</sup> William Booth, "In Mexico, Case of Ex-Governor and Narcos Reads Like Crime Thriller," *Washington Post*, June 14, 2012.

<sup>12</sup> Some of those Catholic activists had roots in the Cristero rebellion. Devout Catholics launched the rebellion in 1927 to protest restrictions placed on the Church in the 1917 Constitution and by Mexico's revolutionary leaders. By the time the conflict ended in 1929, some 70,000 rebels had died and as many as 500,000 Mexicans had been displaced.

<sup>13</sup> See, for example, Pamela K. Starr, "Mexico's Big Inherited Challenges," *Current History*, February 2012.

<sup>14</sup> Luis Prados, "Mexico's Presidential Race Kicks Off with Predictions of a PRI Comeback," *El País*, April 5, 2012.

six states alone and three in coalition with the PRD, and held 39% of the seats in the Senate and 28% of the seats in the Chamber of Deputies.

The **Party of the Democratic Revolution (PRD)** is a center-left party founded by dissident PRI members in the late 1980s that has formed a “Progressive Movement” coalition with the Workers’ Party (PT) and Citizens’ Movement (PMC), two smaller left-wing parties. The PRD grew out of a coalition of leftist groups that supported the 1988 presidential bid of Cuauhtémoc Cárdenas, son of famed President Lázaro Cárdenas. Its early transition from movement to political party was hindered by the PRI’s opposition to its existence and its own internal divisions. The PRD has traditionally been skeptical of neo-liberal economic policies, opposed opening state oil company *Petroleos Mexicanos* (PEMEX) to private investment, and called for greater attention to poverty and inequality. The PRD has built its strongest support bases in and around Mexico City, which it has governed since mayors were first elected in the city in 1997, and in the poor states of southern Mexico. The PRD came close to capturing the presidency in 2006 with Andrés Manuel López Obrador, a popular former mayor of Mexico City, as its standard bearer. The party lost popular support and became plagued by internal divisions, however, after López Obrador refused to accept his defeat. Analysts expressed some surprise that the Mexican left coalesced behind López Obrador’s 2012 presidential candidacy. Prior to the July 1 elections, the PRD governed the Federal District along with six other states, three alone and three in coalition with the PAN. It held 18% of the seats in the Senate and 13% of the seats in the Chamber of Deputies.

## Profiles of the Presidential Candidates

### Andrés Manuel López Obrador (PRD/PT/PMC)

PRD presidential candidate Andrés Manuel López Obrador, a native of the southern state of Tabasco, studied political science and public administration at National Autonomous University of Mexico (*Universidad Nacional Autónoma de México*) before returning to Tabasco to work with the Chontal indigenous community. In the late 1980s, he aligned himself with Cuauhtémoc Cárdenas, founder of the PRD. López Obrador became the PRD party president for Tabasco in 1989, served as national party president (1996-1999), and succeeded Cárdenas as the second elected mayor of the Federal District encompassing Mexico City (2000-2005), an area with a population of approximately 8.7 million. Extremely popular as mayor, he was expected to win the presidency in 2006. He led in the polls until late April 2006, when he lost support due to comments deemed disrespectful of President Fox and his refusal to take part in presidential debates. López Obrador and his supporters rejected the Electoral Tribunal’s September 5, 2006, finding that, despite some irregularities, Felipe Calderón won the 2006 presidential elections.

In 2012, Andrés Manuel López Obrador sought to moderate his image and his campaign platform to appeal to a broader cross-section of voters than in 2006, but some analysts predicted that his move to the center might be too little, too late.<sup>15</sup> In 2006, López Obrador’s campaign slogan was “for the good of all, the poor first” and focused on poverty reduction, job creation, indigenous rights, and infrastructure investment. Some of his proposals, such as re-opening North American Free Trade Agreement (NAFTA) negotiations to better protect Mexican farmers, alarmed investors. This year, rather than emphasizing the needs of one group over another, López Obrador pledged to help rebuild Mexico into a “republic of love” that is built upon the values of honesty and justice and oriented toward creating jobs and well-being for all. He sought to expand his support base beyond the PRD and supporters of his Movement for National Regeneration

<sup>15</sup> Mark Stevenson, “Mexico’s Left in Disarray Ahead of Election,” *Associated Press*, April 4, 2012.

(Morena) social movement. Some of his proposals included combating corruption and wasteful government spending; creating jobs and educational opportunities so that youth would not become involved in crime out of economic necessity; and involving the government, private sector, and social groups in development efforts.<sup>16</sup> While López Obrador still disputes the 2006 election results, he has apologized for launching disruptive protests against them and, prior to the election, pledged to accept the 2012 election results even if he did not win.<sup>17</sup> Some analysts, though acknowledging his evolution as a candidate, maintained that López Obrador's continued emphasis on state-led economic growth and revolutionary ideals might not appeal to Mexican voters, an increasingly middle-class and urbane electorate.<sup>18</sup>

## Enrique Peña Nieto (PRI/PVEM)

Enrique Peña Nieto has been active in the PRI in his native state of Mexico since 1984, most recently serving as governor from 2005 to 2011. Peña Nieto obtained a law degree from the Panamerican University (*Universidad Panamericana*) and an MBA from the Monterrey Institute of Technology and Higher Education (*Instituto Tecnológico y de Estudios Superiores de Monterrey*). An attorney, Peña Nieto began working for the government of the state of Mexico in 1993. Prior to his election as governor, he served as the secretary of administration for the state of Mexico from 2000 to 2002 and as a state congressman from 2003 to 2004. Peña Nieto became the majority leader of his party in the state legislature and speaker of that body.

From 2005 to 2011, Enrique Peña Nieto served as governor of the state of Mexico, which is home to roughly 15 million people (13.4% of Mexico's population) and constitutes 9.4% of Mexico's Gross Domestic Product (GDP).<sup>19</sup> Peña Nieto's slogan as governor was a "government that delivers," and his programs and activities were frequently covered by *Televisa* as a result of a lucrative deal to buy air time that his supporters reportedly signed with the national network in 2005.<sup>20</sup> In his final state of the state report, Peña Nieto maintained that his government had created 224,000 jobs, increased investments in infrastructure without taking on additional debt, and doubled tax revenues in the state.<sup>21</sup> The report presented a more mixed record in the area of public security, revealing that kidnappings had increased while homicides had declined. After analysts identified inconsistent data in the report, Peña Nieto revised the report's assertion that the state's overall homicide rate had declined by half during his administration, noting that the rate had remained fairly stable through 2010.<sup>22</sup> In July 2011, Peña Nieto's chosen successor was elected governor with more than 60% of the vote.

<sup>16</sup> Andrés Manuel López Obrador campaign website, "Fundamentos para una República Amorosa," press release, December 6, 2011, available at <http://www.amlo.org.mx/noticias/comunicados.html?id=88655>. Andrés Manuel López Obrador, "Carta a Joseph Biden," March 3, 2011, [http://www.lopezobrador.org.mx/documentos/carta\\_joseph.pdf](http://www.lopezobrador.org.mx/documentos/carta_joseph.pdf).

<sup>17</sup> "Mexico Presidential Candidates Pledge to Respect Election Results," *EFE*, June 29, 2012.

<sup>18</sup> Stevenson op. cit.

<sup>19</sup> Mexican government data as cited in: JP Morgan, *Mexico Economic Comment: What to Expect From the Upcoming General Elections*, March 30, 2012.

<sup>20</sup> For more information, see Duncan Wood, *The Rise of Enrique Peña Nieto and Return of the PRI*, Center for Strategic & International Studies, October 2011.

<sup>21</sup> For a summary and analysis of the report, see Laura Islas, "6to Informe: Peña Nieto, los 10 Datos Claves de su Sexenio," *El Universal Estado de México*, September 5, 2011.

<sup>22</sup> "Crime in Mexico, the Governor's Miraculous Achievement," *The Economist*, September 22, 2011; Enrique Peña Nieto, "Homicidios Dolosos en el Estado de México," *La Razón*, September 27, 2012, available at <http://www.razon.com.mx/spip.php?article93100>.

Enrique Peña Nieto represented the “Committed to Mexico” coalition composed of the PRI and the PVEM. Peña Nieto’s campaign pointed to his achievements as governor of the state of Mexico as evidence that he is an effective leader and administrator, while his opponents questioned whether he indeed completed all of the projects that he promised to deliver. The five national commitments he outlined in his presidential platform included restoring peace and liberty (by reducing homicides and kidnappings by 50%), tripling growth in order to create more and better jobs, reducing poverty and making Mexico more inclusive, providing access to quality education for all, and restoring Mexico’s leadership position in the world.<sup>23</sup> Peña Nieto has outlined a 10-point economic plan for Mexico that includes opening up PEMEX to private investment and a four-pillar security strategy that emphasizes reducing violence and focusing enforcement and prevention efforts in the most violent areas.<sup>24</sup> As when he was governor, Peña Nieto’s team ran a media-savvy campaign that was bolstered by its ties with Mexico’s leading television networks. Supporters maintain that the Peña Nieto represents a “new PRI” that is free from the corruption that characterized the party in the past, but critics have questioned how truly independent he is from old-time PRI power brokers.<sup>25</sup> In response to critics and protesters who have argued that a PRI government would govern undemocratically, Peña Nieto released a “democracy manifesto” pledging his commitment to govern in a way that protects freedom of speech and expression, human rights, transparency, and accountability.<sup>26</sup>

## Gabriel Quadri de la Torre (PANAL)

The least well known of the candidates, Gabriel Quadri, a native of Mexico City, is an environmentalist and researcher who was reportedly surprised when he was approached by PANAL leaders in February 2012 to serve as their presidential candidate after the PRI ended its electoral alliance with the party. Despite the unconventional and apparently undemocratic way he was selected to run for president, some analysts predicted that Quadri’s candidacy might help the PANAL broaden its appeal beyond supporters of Elba Esther Gordillo<sup>27</sup> and the national teacher’s union.<sup>28</sup> Quadri obtained a degree in civil engineering from the Iberoamerican University (*Universidad Iberoamericana*) and an M.A. in economics from the University of Texas at Austin. He has served as director of environmental planning for Mexico City (1989-1993), president of the National Institute for Ecology (1994-1997), and director general of the Business Council for

<sup>23</sup> CRS translation of information from Enrique Peña Nieto’s campaign website: <http://enriquepenanieto.com/compromisos-nacionales>. These broad pillars are fleshed out in a book published by the candidate in 2011 that can be accessed via the campaign website. Enrique Peña Nieto, *México, la Gran Esperanza: un Estado Eficaz para una Democracia de Resultados*, (Mexico City: Grijalbo, 2011). Hereinafter Peña Nieto, 2011.

<sup>24</sup> “Mexican Presidential Frontrunner’s 10-Point Plan,” *Reuters*, October 10, 2011; Enrique Peña Nieto, “11 for 2011: How Should Mexico Deal with Violence,” *Financial Times*, January 6, 2011.

<sup>25</sup> E. Eduardo Castillo, “Mexico’s Vanquished Ruling Party, Once the ‘Perfect Dictatorship,’ Poised for Comeback,” *Associated Press*, March 30, 2012; “Mexico’s Presidential Front-Runner Builds Huge Lead as Fresh Face for old Ruling Party,” *Associated Press*, May 2, 2012.

<sup>26</sup> For criticism of Peña Nieto and the PRI, see John M. Ackerman, “The PRI Peril in Mexico,” *Los Angeles Times*, May 22, 2012. Peña Nieto’s manifesto is available here: <http://www.enriquepenanieto.com/dia-a-dia/entrada/por-una-presidencia-democratica-manifiesto>.

<sup>27</sup> Elba Esther Gordillo is a powerful politician who heads the PANAL party and the 1.5 million member Mexican teacher’s union. Gordillo, a former Secretary General of the PRI, was expelled from the party in 2006 after supporting the candidacy of Felipe Calderón. She has been widely criticized for thwarting efforts at education reform in Mexico and for corruption, but her ability to mobilize union voters has made her a key power broker in Mexican politics. María de las Heras, “La Incómoda Alianza Entre Calderón y Gordillo,” *El País*, July 4, 2011.

<sup>28</sup> Arturo Gallardo, “Candidate Lands Presidential Nomination Over Dinner,” *San Antonio Express-News*, February 26, 2012.

Sustainable Development in Mexico (1998-2003). Since 2003, he has been associate director of an environmental consulting firm and of a think tank devoted to sustainable development.

Quadri ran on a detailed platform that included 17 priority areas of action. His primary proposals focused on reforming education, promoting sustainable economic growth, opening up PEMEX to private investment and reducing the government's dependence on PEMEX revenues, and improving citizen security by expanding the federal police and privatizing some prisons.<sup>29</sup>

Despite the detailed proposals he put forth and his solid performance in the two presidential debates convened by IFE, few observers predicted that Quadri de la Torre's long-shot candidacy would garner significant popular support.

## Josefina Vázquez Mota (PAN)

Josefina Vázquez Mota embraced her status as the first female presidential candidate to represent a major political party in Mexico. Her slogan, "Josefina: Different," stressed the uniqueness of her candidacy, and also sought to subtly distinguish herself from the current Calderón government. Born in Mexico City, Vázquez Mota obtained an economics degree from the Iberoamerican University and completed a program in Executive Business Administration at the Panamerican Institute for Executive Business Administration (Instituto Panamericano de Alta Dirección de Empresas). She has worked as a columnist on economic issues for several Mexican newspapers (*Novedades*, *El Economista*, and *El Financiero*) and served as an advisor to business associations such as Coparmex (la Confederación Patronal de la República Mexicana). A longtime PAN party activist, Vázquez Mota was first elected to Congress in 2000, where she served as the deputy chair of the economic policy committee. Vázquez Mota left Congress in December 2000 to serve as minister of social development for the Fox Administration, becoming the first woman to occupy that position. She then served as Mexico's first female minister of education during the first half of the Calderón Administration (2006-2009) before being reelected to Congress in July 2009. Prior to her presidential bid, Vázquez Mota had been serving as the leader of the PAN delegation in the Chamber of Deputies.

Vázquez Mota's campaign started on a high note as she decisively defeated the other candidates running for the PAN nomination in February 2012, but she then struggled to gather momentum due to internal disputes within her party and problems within her own team. The PAN's decision not to hold internal elections to select its candidate until February put Vázquez Mota at a disadvantage compared to the two other major party candidates, who had been selected by their parties in November 2011. Despite that, excitement over her historic candidacy and her apparent ability to relate to Mexican voters led observers to predict that the race would become much more competitive as the campaign got underway. Vázquez Mota proposed to build an inclusive government capable of forming cross-party coalitions within the Mexican Congress to help the country complete its transformation into a just, competitive, and vibrant multi-party democracy. She warned voters not to support candidates who might represent a return to the authoritarianism or populism of the past because Mexico's transition has been incomplete, but she struggled to hone her own message and to disseminate it to voters.

Distinguishing Vázquez Mota's proposals from those of the current Calderón government, particularly in the security realm, proved to be difficult. Vázquez Mota's platform included 400 concrete actions under four pillars. They included security (including violence reduction and combating street crimes); well-being (improving the quality of education and healthcare and

<sup>29</sup> Gabriel Quadri de la Torre's platform is available here on his campaign website: <http://www.nuevaalianza.mx/plataforma.php>.

expanding access to credit); productivity (boosting growth and competitiveness, supporting small businesses, diversifying export partners); and taking advantage of Mexico's natural assets to build a "better Mexico" that is a regional leader and global player.<sup>30</sup>

## Election Results

On July 1, 2012, Mexico held federal (presidential and congressional) and state elections in 14 states. Mexico's Federal Electoral Institute (IFE) conducted the elections with the oversight of the Federal Electoral Tribunal, which had to officially certify the election results by September 6, 2012. Despite prior fears, no significant violence occurred during an election day characterized by a record voter turnout. Domestic observers and an international electoral mission from the Organization of American States (OAS) monitored vote tabulation and polling station behavior. While some independent domestic observation groups—including a group affiliated with *YoSoy132*—found that vote-buying, intimidation, and other irregularities marred the electoral process, observers accredited by IFE concluded that the isolated incidents they observed did not merit an annulment of the election.<sup>31</sup> Although the OAS electoral mission has not released its final report, the head of the OAS mission praised the "calmness, respect, and order" present on election day and IFE's handling of the elections.<sup>32</sup> As discussed below, the PRD-led coalition presented evidence to the Electoral Tribunal that the presidential election was inequitable and fraudulent and should therefore be annulled. It did not challenge the legitimacy of the legislative elections. The Electoral Tribunal dismissed the PRD coalition's case to annul the elections on August 30, 2012, and certified the election results on August 31, 2012. The Tribunal's ruling is final and cannot be appealed.

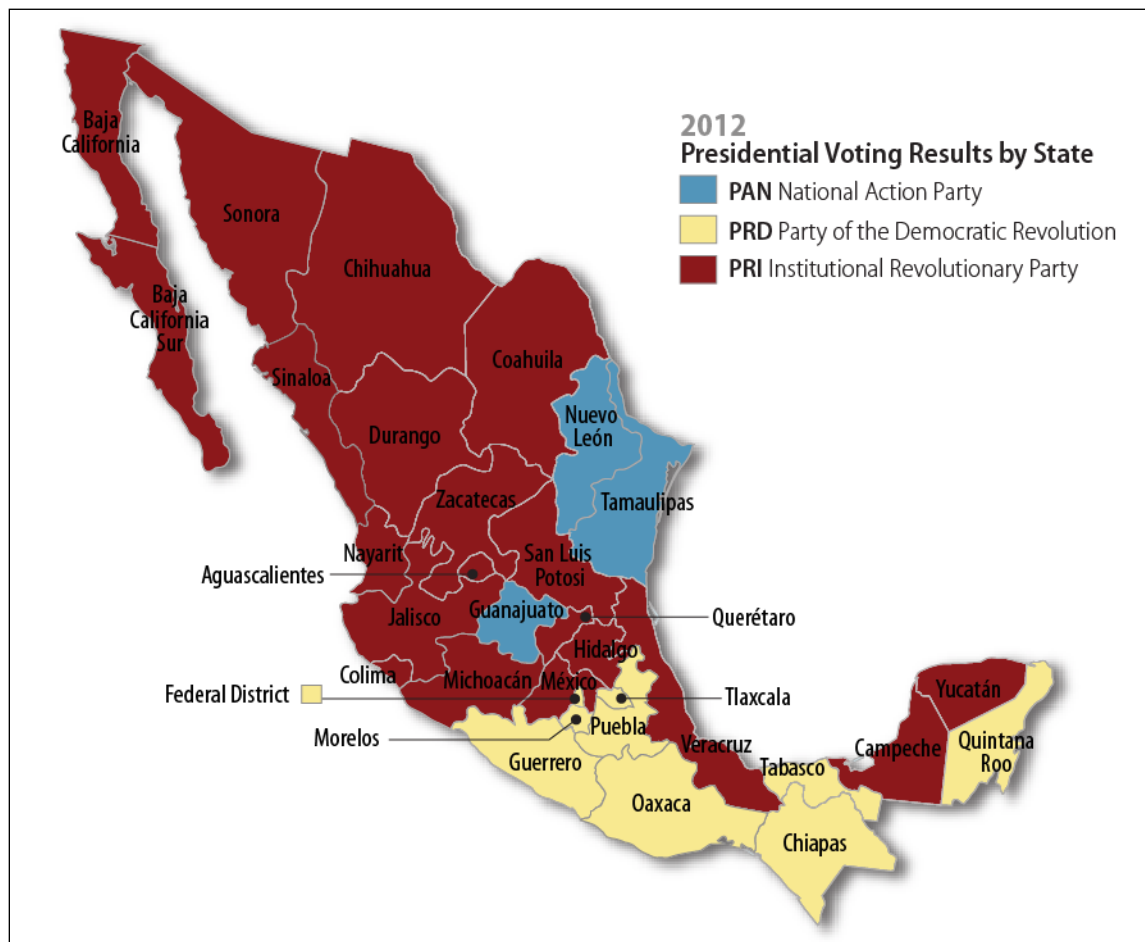
## Presidential Election Results

As predicted, Enrique Peña Nieto won the presidential election, albeit by a narrower margin than the polls had predicted. According to preliminary results published by IFE on election day, Peña Nieto captured 38.2% of the vote, followed by López Obrador with 31.6%, Vázquez Mota with 25.4%, and Quadri with 2.3%. López Obrador appears to have benefitted from the *YoSoy132* student protest movement; he also received support from voters who disapprove of the current PAN Administration of Felipe Calderón. However, as shown in **Figure 1** below, Peña Nieto performed well throughout the country, winning in 21 of 32 states, while support for López Obrador and Vázquez Mota was concentrated in certain regions. Interestingly, the two states Vázquez Mota captured outside the PAN stronghold of Guanajuato were in the troubled northeast region of the country, where significant numbers of federal troops and police have been deployed.

<sup>30</sup> Josefina Vázquez Mota's platform is available at [http://josefina.mx/mexico\\_diferente.php](http://josefina.mx/mexico_diferente.php).

<sup>31</sup> For a summary of the concerns raised by independent domestic election observers, see: Kent Patterson, "Special Report: Mexico's Hot Political Summer," *Frontera NorteSur: on-line*, July 10, 2012. Angélica Mercado, "Observadores Reportan que no hay Condiciones para Anular Elección," *Milenio*, July 12, 2012.

<sup>32</sup> Organization of American States, "Statement by the Chief of the OAS Electoral Observation Mission to Mexico, César Gaviria Trujillo," July 2, 2012, available at: [http://www.oas.org/en/media\\_center/press\\_release.asp?sCodigo=E-241/12](http://www.oas.org/en/media_center/press_release.asp?sCodigo=E-241/12).

**Figure 1. Mexico's 2012 Presidential Election Results: Party Preferences by State**

**Source:** Mexico's Federal Electoral Institute (IFE). Prepared by CRS Graphics.

Based on the preliminary election results, President Calderón and world leaders, including U.S. President Barack Obama, began calling to congratulate Peña Nieto on his apparent victory throughout the evening of July 1. PAN presidential candidate Josefina Vázquez Mota, who won just a quarter of the votes and placed third in the election, conceded. In contrast to PAN leaders' quick acknowledgement of Peña Nieto's victory, the second-place candidate, López Obrador, refused to concede the election, arguing that vote tabulation methods throughout the country were rife with inconsistencies. Partially in response to those concerns, IFE conducted a recount of more than 50% of polling stations and delayed publishing the official election results (which proved to be nearly identical to the preliminary results) until July 7, 2012. In his first speech as the presumptive winner of the presidential elections (given the evening of July 1), Peña Nieto asserted: "the Mexican people have given our party a second chance.... We are going to honor that with results."<sup>33</sup> Peña Nieto used his address to try to reassure those political groups who remain concerned about his party's past corruption, claiming there was no going back to the PRI of the past. He also reaffirmed his commitment to fighting organized crime, a pledge that many observers had questioned. While the fight against organized crime remains of crucial importance to U.S. interests in Mexico, the average Mexican voter in the July elections seemed largely concerned over economic matters. Many voters felt the PRI were better equipped to encourage

<sup>33</sup> Enrique Peña Nieto, "Mensaje íntegro de Enrique Peña Nieto," *El Universal*, July 2, 2012.

economic growth in the country than the PAN, a party whose tenure has been characterized until recently by lackluster growth rates. Peña Nieto hopes to accelerate the country's growth and competitiveness via key reforms, such as opening up PEMEX to private investment. He is scheduled to take office for a six-year term on December 1, 2012.

Since the election, the PRD and the PAN have expressed concern that the PRI engaged in fraudulent electoral practices, such as vote-buying, campaign spending violations, and receiving extra radio and television beyond what was allotted by IFE. Both parties have also alleged that the PRI may have used illicit financing to support Peña Nieto's campaign and urged judicial authorities to investigate and punish anyone who has committed election-related crimes.<sup>34</sup> After the elections, the PRD asserted that these practices should negate the election results, while the PAN did not. López Obrador and his PRD coalition then gathered evidence and submitted a formal petition to the Electoral Tribunal asking for the elections to be annulled.<sup>35</sup> In contrast, the PAN recognized the official election results despite concerns expressed by Vázquez Mota and party leaders that there had been inequality in campaign spending, media bias, and serious faults in the elections. In response to these concerns, Enrique Peña Nieto rejected accusations of vote buying and defended his victory as legitimate, but also reportedly pledged to punish any members of his party found guilty of vote buying once he takes office.<sup>36</sup>

López Obrador's challenge of the most recent election results is reminiscent of similar challenges he made after the 2006 presidential election, which he lost to President Calderón by less than 1% of the vote.<sup>37</sup> In 2006, López Obrador staged massive protests in Mexico City as he refused to concede defeat. Despite the close vote and a recount, the Electoral Tribunal refused to overturn the 2006 results.

This year, the Electoral Tribunal examined the eight charges submitted by the PRD-led coalition, but found that the evidence submitted to back those charges was too "vague, generic, imprecise, inefficient, and insufficient"<sup>38</sup> to warrant an annulment of the election. The Tribunal then certified Enrique Peña Nieto's presidential victory on August 31, 2012. While PRD leaders initially criticized the Tribunal's decision, they and the other leftist parties in their coalition have since pledged to abide by its decision.<sup>39</sup> For his part, Andrés Manuel López Obrador continues to reject the Tribunal's ruling and has broken his ties with the PRD in order to transform the Movement for National Regeneration (Morena) into a peaceful resistance movement against the incoming Peña Nieto government. It is as yet unclear whether López Obrador intends to transform Morena into a political party or not.<sup>40</sup> Even if he does not, Morena will join *YoSoy132* and a number of other social movements that are likely to heavily scrutinize the actions of Enrique Peña Nieto and his administration.

## Congressional Election Results

In addition to the presidential contest, all 128 seats in the Mexican Senate and 500 seats in the lower house of congress, known as the Chamber of Deputies, were up for election this year. Senators will serve six-year terms and deputies will serve three-year terms that began on

<sup>34</sup> Mark Stevenson, "Mexico Parties Join to Demand Campaign Probe," *Associated Press*, July 19, 2012.

<sup>35</sup> "López Obrador Seeks to Void Mexico Election," *EFE*, July 13, 2012.

<sup>36</sup> Andres Oppenheimer, "Mexico's President-elect Vows to Imprison Vote Buyers," *Miami Herald*, July 15, 2012.

<sup>37</sup> For background, see: CRS Report RS22462, *Mexico's 2006 Elections*, by Colleen W. Cook.

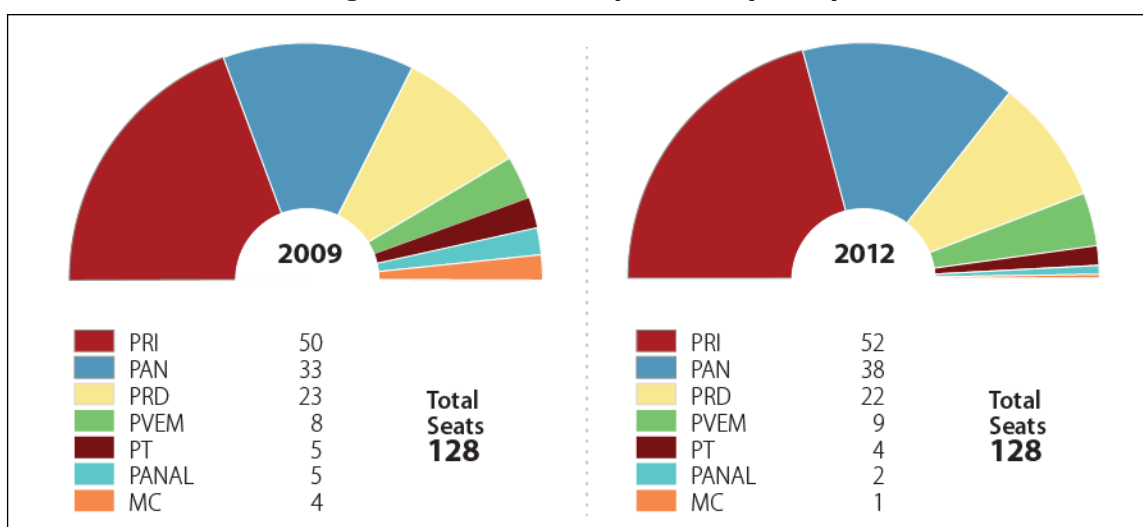
<sup>38</sup> "Peña Nieto Follows Electoral Victory with Legal Triumph," *Latin American Weekly Report*, September 6, 2012.

<sup>39</sup> Belén Zapata, "El Fallo del Tribunal Electoral es 'Inatacable', Afirmó el PRD," *CNN México*, September 7, 2012.

<sup>40</sup> Tracy Wilkinson, "Mexico Opposition Leader Quits Leftist Parties," *Los Angeles Times*, September 10, 2012.

September 1, 2012. There is no consecutive reelection for seats in either chamber. In Mexico, passing regular legislation requires a simple majority and passing constitutional reforms requires a two-thirds majority. Polls had been predicting that PRI might capture a simple majority in one or both chambers. Somewhat surprisingly, the PRI and the allied PVEM party fell short of capturing a simple majority in either house (see **Figure 2** and **Figure 3** below on how the Senate and Chamber of Deputies are comprised in 2012 as compared to in 2009).

**Figure 2. Senate Composition by Party**



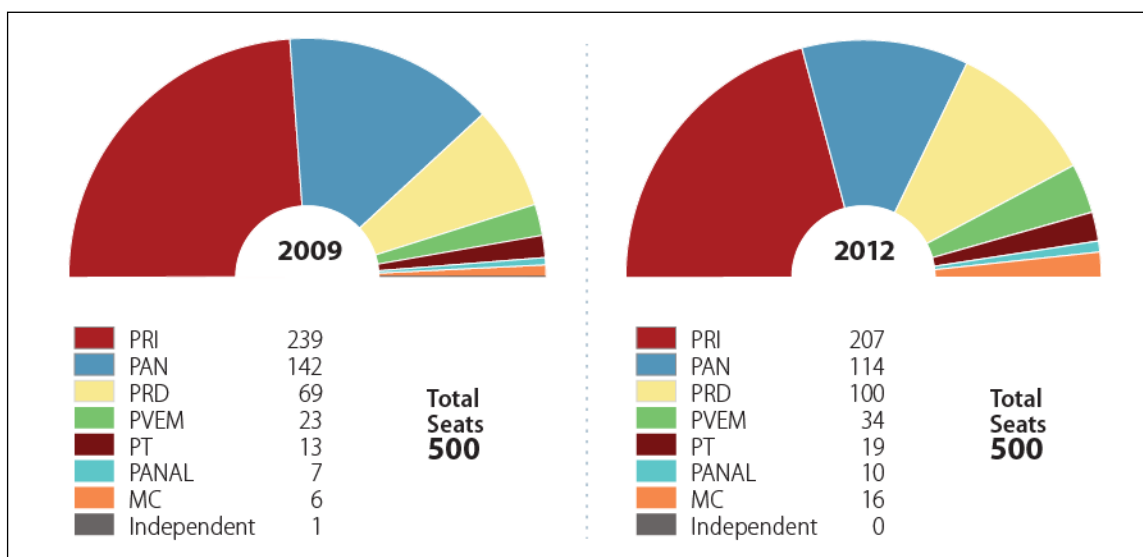
**Source:** For 2009, figures are from the Mexican Senate. For 2012, figures are from IFE.

The PRI/PVEM's failure to capture a congressional majority means that President-elect Peña Nieto and the PRI will have to form cross-party coalitions in order to pass key reforms, particularly those requiring constitutional amendments. The PRI will most likely find support from the PANAL. If the PRI-PVEM coalition aligns with the PANAL (as it has in the past), together they would have 251 of 500 seats in the Chamber (a simple majority) and 62 of 128 seats in the Senate (2 seats short of a simple majority). The PAN, which lost seats in the Chamber but retained a powerful bargaining position, is another possible ally. PAN leaders, including President Calderón, have pledged to support aspects of Peña Nieto's reform agenda that they believe are in the best interest of the country, even proposals that have been previously blocked by the PRI.<sup>41</sup> President Calderón has just re-submitted a proposal to the new Congress to reform Mexico's labor laws, a proposal which Peña Nieto has also supported, but which may encounter opposition from PRI legislators with close ties to labor unions.<sup>42</sup> The PRD-led coalition, which will now have more seats in the Chamber than the PAN and remains the third-largest force in the Senate, could complicate labor reform efforts and initiatives aimed at increasing private participation in the energy sector, a key priority for Peña Nieto. Perhaps acknowledging the need to assuage the concerns of other parties, President-elect Peña Nieto has promised to push for laws to combat corruption and increase transparency at all levels and in all branches of government.<sup>43</sup>

<sup>41</sup> "Mexico's Calderón Pledges to Back Peña Nieto Reforms – Report," *Reuters*, July 15, 2012.

<sup>42</sup> Dave Graham and Miguel Gutierrez, "Mexico's Calderón Makes new Push for Reform of Labor Laws," *Reuters*, September 1, 2012.

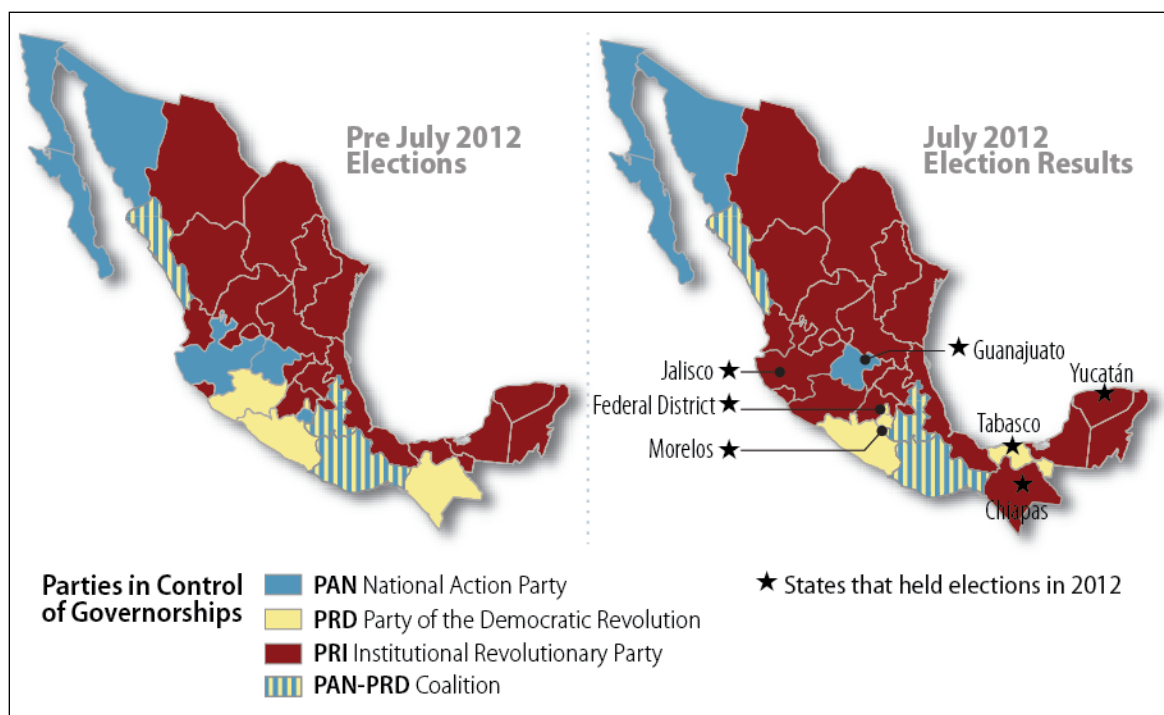
<sup>43</sup> "Peña Nieto Makes Transparency a Priority," *Latin News Daily Report*, September 11, 2012.

**Figure 3. Chamber of Deputies Composition by Party**

**Source:** For 2009, figures are from the Mexican Chamber of Deputies. For 2012, figures are from IFE.

## Gubernatorial Election Results

In addition to the presidential and legislative elections, state and local elections were held in 14 states, including six gubernatorial elections and an election for the mayor of the Federal District that includes Mexico City. Prior to the 2012 elections, the PRI controlled 19 of 32 governorships in Mexico. The PRI retained control over Yucatán and picked up two additional governorships in the recent elections: Jalisco, formerly governed by the PAN, and Chiapas, formerly governed by the PRD. In addition to winning the mayoral office of the Federal District for another term, the PRD also won two additional gubernatorial seats. PRD candidates in Morelos and Tabasco defeated the PAN and PRI, respectively. Although the PAN successfully maintained control of Guanajuato, defeats in Morelos and Jalisco represented significant losses for the party.

**Figure 4. Mexico's 2012 Gubernatorial Election Results**

Source: Mexico's Federal Electoral Institute (IFE). Prepared by CRS Graphics.

## Implications for U.S.-Mexican Relations

Some Members of Congress may be concerned that the leadership changes resulting from the July 1, 2012, Mexican elections will significantly impact U.S.-Mexican relations, particularly now that the party controlling the presidency has changed. However, few analysts are predicting that the transition from PAN to PRI rule will result in any seismic shifts in bilateral relations. Throughout the campaign, Enrique Peña Nieto sought to reassure U.S. policy makers that a PRI administration would continue to combat organized crime, combat corruption, and govern democratically. Peña Nieto also expressed support for increased bilateral and trilateral (with Canada) economic cooperation.<sup>44</sup> Since the elections, President-elect Peña Nieto has said that he is committed to “having an intense, close relationship of effective [security] collaboration measured by results”<sup>45</sup> with the United States. President Obama has congratulated Peña Nieto on his victory and Assistant Secretary of State for Western Hemisphere Affairs Roberta Jacobson has said that U.S. officials “look forward to working with him”<sup>46</sup> after he takes office.

During the campaign, Enrique Peña Nieto pledged to continue the fight against organized crime and said that maintaining some form of military involvement in antidrug operations will be necessary. He also vowed, however, to focus more on reducing violent crime in Mexico than on

<sup>44</sup> Lally Weymouth, “Interview with Mexican Presidential Candidate Enrique Peña Nieto,” *Washington Post*, May 18, 2012.

<sup>45</sup> William Booth and Nick Miroff, “Closer Ties to U.S. on Horizon,” *Washington Post*, July 9, 2012.

<sup>46</sup> U.S. Department of State, “Foreign Press Center Briefing with Roberta S. Jacobson, Assistant Secretary of State for Western Hemisphere Affairs,” press release, July 11, 2012. Hereinafter, Jacobson briefing, June 12, 2012.

seizing drugs or arresting kingpins.<sup>47</sup> Peña Nieto said he would increase the size of Mexico's Federal Police, create a national gendarmerie comprised of some military forces currently engaged in fighting organized crime that will be under civilian control, and establish 32 unified state police forces. He also announced that General Oscar Naranjo, former head of the Colombian National Police, would serve as one of his security advisors. Naranjo has reportedly recommended adopting a two-pronged strategy of using elite units of military and police forces to go after top DTO leaders (as Calderón has done), while focusing the rest of law enforcement efforts on reducing violence and street crime in six of the country's most violent cities.<sup>48</sup>

President-elect Peña Nieto is likely to pursue violence reduction as a key metric of the success of his government's security strategy, a goal that U.S. officials have said is "extremely logical."<sup>49</sup> In his platform, Peña Nieto pledged to develop a National Strategy to Reduce Violence that will contain binding commitments for all levels of government, along with civil society. He also proposed focusing anticrime efforts and socioeconomic programs in the most violent cities.

While some Members of Congress have expressed concerns about how Peña Nieto's victory may impact U.S.-Mexican security cooperation, Obama Administration officials have said that they expect to continue "strong counter-narcotics cooperation with the new president."<sup>50</sup> Peña Nieto did not comment much on the Mérida Initiative during the campaign, but made general statements to the effect that he would continue security cooperation with the United States, albeit with a different focus than under Calderón. Peña Nieto appeared to give higher priority to increasing intelligence-sharing than to receiving larger amounts of U.S. assistance, but the four pillar strategy he outlined resembles the Mérida Initiative's four pillars with a more explicit emphasis on violence prevention and reduction. While Peña Nieto opposes allowing armed U.S. military or law enforcement agents to carry out operations in Mexico (as they have in Central America), he recently expressed an openness to allowing U.S. military trainers in Mexico.<sup>51</sup> Peña Nieto has also expressed a desire to hasten implementation of the judicial reforms passed in 2008, a major focus of Mérida efforts. The state of Mexico (where Peña Nieto served as governor) is one of only three states operating under the new adversarial, oral criminal justice system. Peña Nieto has also mentioned the importance of both Mexico and the United States working more closely together to assist Central American governments, a proposal that U.S. Assistant Secretary of State for Western Hemisphere Affairs Roberta Jacobson has said is "incredibly encouraging."<sup>52</sup>

Enrique Peña Nieto and his advisers have stressed the importance of passing structural reforms to make the Mexican economy more competitive and deepen economic integration with the United States, but have also said that they aim to diversify Mexico's trade relationships. Peña Nieto acknowledges that the PAN has maintained macroeconomic stability, but criticized the past two administrations for failure to spur economic growth rates in Mexico similar to those of other developing countries in Asia and Latin America. He has identified several reasons why Mexico's economic growth has lagged: low productivity, insufficient access to credit, deficient investment

<sup>47</sup> See, for example: Enrique Peña Nieto, "11 for 2011: How Should Mexico Deal with Violence," *Financial Times*, January 6, 2011; Anahi Rami and Dave Graham, "Mexico's Peña Nieto Plans New Police to Fight Drug Gangs," *Reuters*, April 9, 2012; and "Mexico's New Leader Could Focus Law-Enforcement on Small Local Gangs That Rob, Extort, and Kidnap," *AP*, July 5, 2012.

<sup>48</sup> "The Strategies of Peña Nieto's Top Adviser," *Latin News Daily*, August 1, 2012.

<sup>49</sup> U.S. Department of State, "Foreign Press Center Briefing with Roberta S. Jacobson, Assistant Secretary of State for Western Hemisphere Affairs," press release, July 11, 2012. Hereinafter, Jacobson briefing, June 12, 2012.

<sup>50</sup> U.S. Department of State, "Daily Press Briefing," July 6, 2012.

<sup>51</sup> William Booth and Nick Miroff, "Closer Ties to U.S. on Horizon," *Washington Post*, July 9, 2012.

<sup>52</sup> Jacobson briefing, June 12, 2012.

in infrastructure, monopolies, a large and expanding informal sector, and a continued over-reliance on the U.S. market. To counter these deficiencies, Peña Nieto advocates a 10-point economic plan that includes, among other measures, implementing recently passed legislation to counter monopolistic practices, passing fiscal reform, opening up the oil sector to private investment, making farmers more productive, and doubling infrastructure investments. Peña Nieto also endorses an active international trade policy aimed at increasing Mexico's trade with Asia, South America, and other markets. His government is likely to take an active role in the negotiations for a Trans-Pacific Partnership (TPP).<sup>53</sup> The proposed TPP would likely enhance the links Mexico already has with the United States and Canada under NAFTA, while also helping boost the country's trade ties with other fast-growing economies.<sup>54</sup>

Many U.S. observers are interested in whether the next Mexican administration will push for further reforms to increase private involvement in Pemex. Enrique Peña Nieto has endorsed such action, and has suggested that Pemex might follow the example of Petrobras in Brazil.<sup>55</sup> Enacting energy reforms is a task which Peña Nieto's campaign manager has said would be an immediate priority for the new administration.<sup>56</sup> However, constitutional reforms require a two thirds vote in the congress. And, the PRI-led coalition's failure to capture a majority in either chamber of the congress may mean that Peña Nieto will encounter the same type of opposition to his reformist agenda that Calderón has experienced, unless he is able to reach agreements with the PAN.<sup>57</sup> President Calderón has reportedly pledged to encourage Mexican lawmakers to approve energy reforms before he leaves office, a move that Peña Nieto would welcome, but the PRD-led coalition and even some PRI legislators could block that effort. Some predict that Peña Nieto may move to implement reforms that have broad based support, such as making Pemex's budget more independent and reducing its tax burden as part of a larger fiscal reform effort, before pushing for greater private cooperation with Pemex.<sup>58</sup>

## Author Information

Clare Ribando Seelke  
Specialist in Latin American Affairs

<sup>53</sup> On June 18, 2012, President Obama announced that the nine countries involved in the negotiations of the proposed Trans-Pacific Partnership (TPP) had extended an invitation to Mexico to join negotiations for the proposed regional free trade agreement. The announcement for the invitation for Canada to join negotiations came on June 19, 2012. Countries already involved in the negotiations include the United States, Australia, Brunei, Chile, Malaysia, New Zealand, Peru, Singapore, and Vietnam. For background, see: CRS Report R42694, *The Trans-Pacific Partnership Negotiations and Issues for Congress*, coordinated by Ian F. Fergusson.

<sup>54</sup> Aaron Lorenzo, Daniel Pruzin, Amy Tsui, and Peter Menyas, "Mexico Invited to Join TPP Negotiations; Rhodes Says Discussions with Canada 'Close'," *Bloomberg BNA International Trade Daily*, June 16, 2012.

<sup>55</sup> In the 1990s, Petrobras increased private involvement in exploration, production, and refining; implemented reforms to boost its competitiveness; and then gradually opened itself up to private minority ownership.

<sup>56</sup> "Excerpts: Luis Videgaray; 'We Will Maintain the Fight Against Organized Crime,'" *Wall Street Journal*, April 27, 2012.

<sup>57</sup> "Mexico's Calderón Pledges to Back Peña Nieto Reforms—Report," *Reuters*, July 15, 2012; "Peña Nieto Faces Challenging Mexican Transition," *Oxford Analytica*, July 10, 2012.

<sup>58</sup> "Mexico State Oil Firm Eyes More Freedom With New President," *Reuters*, July 20, 2012.

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